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# **The Economic Contribution of Diasporas to their Home Countries: the Case of the Palestinian Diaspora**

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## **Background**

This case study seeks to address the importance of remittances as a current phenomenon affecting national societies and the global economy, and its relevance in the study of transnational relations between a diaspora, dispersed communities in other host countries and the homeland. Considering the specificity of the Palestinian diaspora, its resources and limitations, the aim of this project will be to evaluate the scope of transnational social, economic and political flows involving the transfer of finance, ideas, skills and knowledge and their contribution to development and peace building in the homeland.

### **Defining Palestinian exiled communities as a diaspora**

Traditionally, the classical diasporas, such as those of Greeks, Jews and Armenians, were communities that had been scattered across various foreign territories. In the current moment of increased interest in transnational formations and movements, the term diaspora is used to describe diverse transnational communities, migrants, expatriates, refugees or guest workers (Tölölyan 1991: 4-5) and there is no consensus on its definition. Clifford argues that the historical model of classical diasporas “can be taken as non-normative starting points for a discourse that is traveling or hybridizing in new global conditions” (1997: 306). Safran (1991: 83-84) has proposed a far more stringent conception of diaspora, insisting on such criteria as dispersal to more than one place, continued attachment to that place, sustained memory

and longing for the homeland, group solidarity in relation with the homeland, and a sense of alienation in the host society.

Despite the variety of definitions, which cannot be wholly reconciled, some consensus can be traced around specific characteristics, as underscored by Werbner (2000 : 6-7) : diasporas exhibit social heterogeneity; cling to memory and history; retain a dual or multiple orientation towards the place of settlement (where they seek some form of integration), towards other locales where the dispersed communities live, and sustain transnational links and allegiances with them as well as the homeland; and finally, diasporas are often implicated in nation-state building projects.

Defining Palestinian communities living in exile as a diaspora can be seen as problematic. Some Palestinians may perceive such a label as endangering their right of return, in the sense that the term could cunningly imply their definitive settlement outside of their homeland (Kodmani Darwish 1997). On the other hand it can be seen as usurping by those who consider that the term can only legitimately refer to the Jewish diaspora. Secondly because it implies the rootedness, a place of origin, it contradicts the common Zionist perception of the falseness and illegitimacy of Palestinian national feelings.

However, if we invoke the constitutive features enunciated before, Palestinians can be considered a diaspora (Cohen 1997; Safran *op. cit.*). In particular, two main characteristics of diasporic spaces are constitutive elements of the Palestinian experience: the centrality of the homeland in the

diaspora's political, social and cultural activities and representations, and the multiple ties and loyalties that are constructed between scattered communities living in different locations. Diaspora is thus useful as a concept relating the many cultural and political processes involved in the constitution and reproduction of these social formations.

Following the creation of the State of Israel, two-thirds of the Palestinian population was made homeless and dispersed throughout the neighbouring countries. Due to a lack of a comprehensive registration system, in the absence of a common definition of a Palestinian refugee, and considering the invisibility of some refugees in national censuses, figures vary depending on sources. It is estimated that there were than 7.1 millions Palestinian refugees and displaced persons at the end of 2008, corresponding to 67% of the worldwide Palestinian population (BADIL 2008). According to Shiblak (2005), there are around 186 000 Palestinians living in Europe and 20 000 currently residing in the UK.

After the first wave of Palestinian civil servants or students who migrated in the 50's, the majority of Palestinians in Britain have been professionals and students who arrived since the 60's and the 70's from the Occupied Palestinian Territories and Lebanon as a consequence of the 1967 Israeli occupation of the West Bank and the Gaza Strip and the civil war in Lebanon, that led to worsened Palestinians' legal, social and economic conditions both in the Occupied Palestinian Territories and Arab host countries (*ibid.*).

For 58 years, Palestinians have built their political structures and strategies in a liberation movement in exile that has been represented since the 1960's by the Palestinian Liberation Organisation and allied community organisations. These institutions organised the diaspora not only politically but also economically and channelled remittances inflows towards the Occupied Palestinian Territories and other segments of the diaspora.

Remittances sent by Palestinian communities around the world have contributed greatly to Palestinian society and diaspora economic and cultural survival despite the predicament of conflict and occupation that has impaired the prospect of a sustained development in the homeland. Not only individual and family-based remittances (money, house-building, setting up of business), but also collective remittances, the largest in scope (advocacy activities, charity donations, business investment, development projects), have played a major role in sustaining households and the national economy and in contributing to peace building and humanitarian aid in Palestine. Recent research tends to show that investments from the diaspora are an important part of the Palestinian economy. Relying on statistics of the Palestinian Ministry of Economy and Trade, Hanafi estimates that for the year of 1997, 70 percent of all business investments in the West Bank came from foreign nationals.

There is nevertheless a lack of research on the involvement of the Palestinian diaspora economy in relation to other types of remittances and little knowledge of the extent and channels of these flows. In order to fill such

a gap, this project will address these questions regarding collective remittances in relation to development and peace building.

## **1. Impact of occupation on the Palestinian economy and sustained development**

Practices of Israeli military occupation in the Occupied Palestinian Territories (curfews, road blocks, military incursions and sieges, house demolitions, land grabbing, etc) and institutionalised discrimination against Palestinians by the Israeli occupation forces are translated into the destruction of Palestinian economy, institutions, access to natural resources, employment, health, education - For the impact of occupation on education, see: the Right to Education Campaign fact sheets: [www.right2edu.org](http://www.right2edu.org)), making the process of Palestinian nation-building, economic and institutional development impossible to achieve. According to the UNDP the effects of occupation have been devastating in terms of economic, social and human cost. Since the outbreak of the second Intifada in 2000, the Palestinian society is facing high levels of unemployment and poverty.

Today more than 56% of Palestinian households have lost at least half of their income. More than one and a half million Palestinians depend on food aid, provided by UNRWA and the World Food Program (UNDP). The Palestinian Gross Domestic Product and Gross National Product have decreased dramatically since 2000, the Gross Domestic Product being 23 percent lower than in 1999 (World Bank). A recent report by the European Union indicates that the "GNI per capita (which includes workers remittances

from abroad) fell by around 26% in 2002, and poverty levels increased dramatically, with those living on less than US\$ 2 per day tripling to 60% of the population since the beginning of the Intifada” (Commission of the European Communities 2004). The World Bank estimates that an economic collapse has been avoided partly due to the high level of donor assistance (World Bank 2003). But little is known about the impact of remittances from the Palestinian diaspora in that respect.

## **2. Postconflict reconstruction vs humanitarian and crisis recovery agenda**

The post Oslo period has seen the development of NGOs in Palestine while international donors and international NGOs oriented their programs to a post conflict resolution perspective (Hanafi & Tabar 2005). The failure of diplomatic efforts in bringing the occupation to an end and the increasingly deteriorating situation of the Palestinian economy and institutions since the second Intifada have pointed to the irrelevance of such an agenda in a context of worsened conflict. Local NGOs as well as community associations had to change their strategies from a reconstruction and development agenda to a national struggle in a context of emergency and humanitarian crisis. This situation has had a profound impact on the way Palestinian communities in diaspora and more broadly support groups oriented their actions towards Palestine.

As facts and figures presented above demonstrate, the issue of development cannot be dealt with seriously without adopting a humanitarian



and conflict resolution perspective, and this position has been widely adopted by support groups in their actions in Palestine.

My doctoral research dealt with the construction of transnational political, social and cultural relations among Palestinians in Britain. The ethnography carried out from 2004 to 2006 has been based on interviews and observations among Palestinian and pro-Palestinian advocacy groups, individuals, social and political networks (Loddo 2006). As my ethnographic material collected among Palestinians in Britain indicates (Loddo 2005), Palestinian advocacy organisations and activists acknowledge the needs in vital aspects of Palestinian society such as economy, human rights, education and health and these are the sectors in which contributions are made by the different local groups in Britain through fundraising or cooperative actions.

Considering on the one hand the consequences of the devastating effects of occupation on Palestinian social and economical development, and on the other hand the dual orientation (humanitarian and development) characterising many initiatives in the civil society, further research has to be undertaken beyond business investments and strictly defined development projects, on channels of remittances involving the civil society in humanitarian, charitable and peace building initiatives that are entangled with issues of development, crisis prevention and recovery in Palestine.

### **3. Potentials and limitations of the Palestinian diaspora in the UK**

The Palestinian diaspora in Europe is highly educated and its technical and professional expertise can benefit the home country in its nation building

process and economical development. However, as outlined in a recent report by The Economic and Social Commission for Western Asia (2004), the weak level of connection and coordination between communities in the diaspora hinders these potentials.

One of the outcomes of the Oslo peace process has resulted in a major change in Palestinian politics and the national movement, shifting political leadership and decision-making from exile to the homeland, with the establishment of the Palestinian Authority in the West Bank and Gaza. This has led to the weakening of the PLO institutions and their capacity to unite and network communities in the diaspora. Consequently, there is a lack of institutionalised structures that could organise members in the diaspora and cooordinate efforts in the construction of the homeland, and initiatives are isolated and their impact is difficult to evaluate. This lack of organisation has been observed in the context of Britain where Palestinians are characterised by a weak political participation towards the homeland and a lack of community organisation (Loddo 2005).

In contrast with other diasporas who migrated in a limited period of time, Palestinians are in an ongoing conflict that has led the diaspora to extend for many generations since 1948. These migrations patterns are in that respect similar to other diasporas such as the Sri Lankan, Afghani and Somali (Economic and Social Commission for Western Asia, *op.cit.*: 3). As a consequence of warfare and political turmoils in Palestine and in Arab host countries where a majority of the diaspora took refuge, Palestinians have kept

moving from Palestine and across borders of various host countries for nearly 60 years, where they have been exposed to various social and political contexts and were granted different civil and legal status that limited greatly their ability to move and to connect to other dispersed communities.

As a consequence of these migration patterns, Palestinians in Britain are very diverse in terms of social class, cultural background, civil and legal status, place of origin and political and religious leaning. These differences have hindered initiatives of creating Palestinian community organisations. Some Palestinian groups exist in the British public sphere although they often fail in unifying community members around a common agenda. Hence, Palestinian activism covers a wide range of organisations at the local and national level which are part of a broader international solidarity network, including Palestinian, Israeli, and British organisations as student groups, trade unions, religious welfare associations or peace groups. The participation of the Palestinian diaspora in sustained projects in Palestine is part of wider initiatives coordinated by these charities, advocacy groups and religious societies.

#### **4. Suggestions for further research**

Drawing on these observations, I suggest that research should be undertaken in the following directions in order to gain a better understanding of Palestinian remittances:

1. The participation of the Palestinian diaspora in development projects in Palestine cannot be considered separately from wider economic and political networks in the civil society (charities, support groups, NGOs...),

as these political and welfare networks are the main actors in the construction of economic support and various development projects towards Palestine.

2. The issue of development and humanitarian crisis in Palestine are intertwined, as reflected in many initiatives in the diaspora that have both scopes. Hence, the question of remittances, albeit through donations, transfer of knowledge and technology, consulting, etc should not only be addressed in regard to development projects, but also to the wide range of solidarity and peace building initiatives that cover cooperation in vital sectors of the society and in the same time have a more general humanitarian agenda.

## **5. Research design**

Considering the questions raised above, I recommend a research design according to the following principles:

- identifying the major actors in the civil society who organise significant channels of remittances flows
- identifying the scope and extend of these remittances flows (transfer of knowledge, technologie, human rights, investments...) and their positive impact on the main obstacles to development (reducing poverty and human rights violations, promoting peace, engaging in a sustained development process...)

- since a great deal of transactions are organised and channeled through solidarity global networks, to evaluate the effectiveness and the limits of global activism in increasing the participation of the Palestinian diaspora in projects related to the homeland and in providing the institutional resources necessary to foster transnational ties and organise large scale development project.
- evaluating the diaspora limits and capacity in relation to its internal organisation, relation with local and international support groups, international donors, NGOs, and governments, this research will give recommendations in the perspective of facilitating the diaspora networking and enhancing its organisational capacity that could contribute to its increased participation in the homeland economic and institutional development.

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